

1 JUDGE CHACHKIN: Where is there anything that says  
2 that?

3 MR. EMMONS: Well, there is, Your Honor.

4 MR. SCHAUBLE: Your Honor, I think there's different  
5 phraseology being used, being used in the deposition that was  
6 being --

7 MR. EMMONS: Well, I read at the top of page 296,  
8 lines 1 through 4, the testimony where the witness testified  
9 yes to the question did George Gardner feel that that was a  
10 particular problem with David Gardner as opposed to other  
11 people.

12 MR. SCHAUBLE: If it isn't -- There's nothing in  
13 that question -- There's a couple, there is a couple pages  
14 between the time FCC filings were mentioned and --

15 JUDGE CHACHKIN: Well, I, I don't think we're  
16 getting anything productive. Let's, let's move on.

17 BY MR. EMMONS:

18 Q Well, is it your testimony today, Mr. Sandifer, that  
19 as far as you know David -- George Gardner did not have any  
20 particular problem in the past with FCC filings prepared by  
21 David Gardner?

22 A No.

23 Q That's not your testimony?

24 A If you'll restate the question, I, I believe you  
25 asked me in a negative manner and I -- If you will restate the

1 question.

2 Q To your knowledge, did George Gardner in the past  
3 have problems with FCC filings prepared by David Gardner?

4 A I know of at least one instance in which he did.

5 Q And what was that?

6 A There was an instance that had to do with EEO-  
7 related filings by the company with the FCC and that David  
8 Gardner had presented those documents and I had reviewed the  
9 for George Gardner's signature. And George Gardner sent them  
10 back because he did not feel that there were representations  
11 from the person directly responsible for the report -- that it  
12 was actually David Gardner's representation of, of their --  
13 his recapping of their representation. And George Gardner  
14 wanted their direct representation to be outlined specifically  
15 to David Gardner before David Gardner provided -- or prepared  
16 the form and George Gardner signed it.

17 Q Are you aware of any other examples where George  
18 Gardner was not happy with a draft prepared for the FCC by  
19 David Gardner?

20 A Relative to FCC filings, I, I can't think of any  
21 other instance at this time.

22 Q Well, would you turn to your deposition, page 297?  
23 Starting at line 4, "Question: Can you think of any filing  
24 with the FCC that had been prepared by David Gardner that  
25 George Gardner had found inadequate for signature? Answer:

1 It's hard to relate specific examples without seeing the  
2 documents, but I think it's fair to say that George Gardner  
3 had more than one document that had pertained to filings with  
4 the FCC redrafted or changed or corrected or restructured  
5 before he would sign them." And I'll continue, lines 13  
6 through 17, "Question: And these were documents that had been  
7 prepared originally by David Gardner? Answer: They may have  
8 been prepared by a number of people, but quite likely, they  
9 would have been prepared by David Gardner." Now,  
10 Mr. Sandifer, under the procedure where you are to review  
11 documents prepared by David Gardner for George Gardner's  
12 signature, what is your instruction as to how thorough a  
13 review you are supposed to make?

14 A Well, I've been given instructions, and I think I  
15 had stated earlier, but I've been given instructions to review  
16 all contractual matters that are prepared by others, as well  
17 as David Gardner, per George's instructions. But -- Prior to  
18 George's need to sign them. But, you know, I'm to prepare  
19 them -- I am to review them for accuracy, for presentation,  
20 for propriety of dates and any number of other things that  
21 have, that have to do with presentation of, of, of other  
22 documents.

23 Q And, and what procedures do you follow to insure the  
24 accuracy of drafts prepared by David Gardner?

25 MR. SCHAUBLE: Is this question with respect to FCC

1 filings or matters in general or --

2 BY MR. EMMONS:

3 Q This is with respect to FCC filings under the  
4 procedures that you've been describing.

5 A Well, I'm not an expert in FCC matters, but when the  
6 forms, correspondence, come to me, I review them for  
7 reasonableness, accuracy, for proper dates. You know, we, we  
8 tend to have a problem because the FCC always puts Raystay  
9 Company on our correspondence, C-O-M-P-A-N-Y, and our  
10 corporate name is Raystay Co., C-O-period. There is always a  
11 need to, you know, make changes or whatever, and those are the  
12 kind of -- I mean, I, I check a lot of things, but I generally  
13 check them for accuracy and reasonableness, as I think they  
14 respond to the questions that are required by the form.

15 Q Well, if you, in reviewing a draft, don't have  
16 personal information as to whether or not something is  
17 accurate in the draft, what if any steps do you take to verify  
18 it?

19 A Well, it would probably depend, of course, upon the  
20 matter of -- I mean the nature of the matter. But in general,  
21 I rely on the representations of the people that prepare the  
22 documents.

23 Q Now, does Raystay have any formal company procedures  
24 for insuring the accuracy of statements made in filings to the  
25 FCC?

1           A     At the time that the extension applications were  
2 initially prepared, I don't believe we had any procedures in  
3 place, any formal written procedures, although there are a  
4 number of policies in our company policy manual that pertain  
5 to accuracy and completeness of reporting and all sorts of  
6 other requirements. There's none specific to FCC reporting, a  
7 checklist or something like that.

8           Q     And was, was that true both in December 1991 and  
9 July 1992?

10          A     We have developed some graded checklists for  
11 reviewing of certainly the EEO portion of the FCC reporting  
12 requirements. I do not know if that occurred prior to July of  
13 1992.

14          Q     And that pertains to EEO reporting?

15          A     It has to do with company-related reporting,  
16 primarily EEO and other things that have to do with reporting  
17 to the FCC.

18          Q     Does it pertain to applications like the Form 307  
19 application which is the form used for extension of  
20 construction permit?

21          A     Not specifically.

22          Q     So the procedures you've been describing for EEO  
23 reporting and other kinds of reporting do not apply to  
24 Form 307 reporting?

25          A     No, I didn't say that. I said they are not -- I

1 | guess I don't think that Form 307 reporting are a major part  
2 | of our normal operating procedures. So that's not what we  
3 | have prepared additional procedures for.

4 |       Q     Is there any requirement -- I should say at the  
5 | time, December 1991 and also July 1992, was there any  
6 | requirement that the person who signed the application, an  
7 | application like Form 307, talk to the person who prepared it  
8 | to verify the accuracy of statements made in the application?

9 |       A     There was no such written procedure other than the  
10 | general company policies that I guess I discussed earlier.

11 |       Q     Now, when you reviewed the contents of these four  
12 | FCC applications that David Gardner passed to you for review  
13 | in December 1991, did you discuss the contents of those  
14 | applications with David Gardner at that time?

15 |       A     No.

16 |       Q     Did you ask Mr. Harold Etsell to review the  
17 | applications for any input he might have?

18 |       A     I personally did not.

19 |       Q     Did you discuss the content of the applications with  
20 | FCC counsel?

21 |       A     I personally did not.

22 |       Q     Did you make any effort to verify the accuracy of  
23 | any of the statements that were made in, in the application?

24 |       A     Could you give me a document number? Are we on 245?

25 |       Q     Yes, TBF Exhibit 245, pages 2, 3, and 4.

1           A     When I reviewed the documents for accuracy, nothing  
2 jumped out at me that said there was a problem for me to  
3 extend my review process.

4           Q     Did you have personal knowledge of, of everything  
5 that was stated in the application?

6           A     I did not have personal knowledge of everything that  
7 was stated in the application.

8           Q     Now, did you transmit these applications to George  
9 Gardner after reviewing them in December 1991?

10          A     Yes.

11          Q     And in so doing, did you recommend to George Gardner  
12 that any changes be made in the content of the applications?

13          A     I don't recall making any such recommendation.

14          Q     Did you discuss the contents of these applications  
15 with George Gardner?

16          A     I don't recall.

17          Q     Did, did George Gardner ask you if you had verified  
18 the statements contained in the application?

19          A     He did not.

20          Q     Now, moving ahead to July 1992, the record  
21 establishes that there was a second set of extension  
22 applications filed at that time as well. And my question to  
23 you is did you review the second set of extension applications  
24 for the low-power permits before they were signed by George  
25 Gardner?

1           A     I did not.

2           Q     And what was the reason for that?

3           A     I was on vacation during the period of the extension  
4 application, during the time that the second set of extension  
5 applications were prepared.

6           Q     Now, when was the first time that you learned that  
7 this second set of extension applications had been filed?

8           A     There's an exhibit that brings to mind, I believe  
9 some correspondence from Mr. Cohen's firm, that indicates that  
10 the applications had been approved.

11          Q     Would you turn to TBF Exhibit 253, and also 252?  
12 And let me explain to you that 253 is a letter from a Mr.  
13 Berfield to David Gardner which encloses what is in the record  
14 here as TBF Exhibit 252, and that latter document is a letter  
15 from the FCC concerning the grant of the, of the second set of  
16 extension applications. And do you notice on TBF Exhibit 253  
17 that the letter from Mr. Berfield indicates that a copy of the  
18 enclosure went to you? Do you see that down at the bottom?

19          A     Yes.

20          Q     Now, and my question to you is is this the  
21 correspondence that -- by which you learned for the first time  
22 that the -- that Raystay had filed a second set of extension  
23 applications for the low-power permits?

24          A     Well, this certainly confirms that, but whether this  
25 is absolutely the first time that I was aware of it, I can't



1 say.

2 Q Okay. Now, Exhibit 252 is the letter from the FCC.  
3 Did you see a copy of that letter at about the time -- late  
4 September 1992?

5 A Yes.

6 Q All right. And did you notice that in the -- in  
7 that letter the FCC, in the second paragraph, said, "In  
8 support of your request, you state that Raystay has entered  
9 into negotiations with representatives of the owners of the  
10 antennae sites specified in these applications. You also  
11 state that Raystay has undertaken research in an effort to  
12 determine programming." Did, did you read that paragraph when  
13 you received the letter?

14 A I recall receiving the letter. I don't recall how  
15 clearly I read every specific word of the letter.

16 Q Well, let me, let me ask you this question. At the  
17 time that you received this letter, did you know of any  
18 efforts undertaken between December 1991 and July 1992 by  
19 Raystay to research programming for the new low-power  
20 stations?

21 A Well, I personally had done a lot of undertaking  
22 research to determine programming for TV-40.

23 Q But I'm talking about for the low-power permits, not  
24 for TV-40.

25 A Well, I think we're talking about parts of, of the

1 same business. I guess our feeling -- Or my feeling is is  
2 that we found something that -- TV-40 would have applications  
3 under place. I, I also have had specific inquiries made of  
4 programmers to look for applicable programming to the LPTV  
5 construction permits during this period.

6 Q You, you made specific inquiries of programmers?

7 A I attended trade shows and made inquiries and got,  
8 you know, the contacts or had discussions with certain  
9 programmers.

10 Q And that was during the period of January -- excuse  
11 me, December '91 to July 92?

12 A Yes.

13 Q Do you have any documents that reflect those  
14 efforts?

15 A I don't have any specific documents that I recall,  
16 but I, I did attend at least one trade show during this  
17 period, at which time I'm sure that you can substantiate that  
18 there were applicable programmers there.

19 Q Do you -- At the time you received this letter from  
20 the Commission dated September 23, 1992, did you know of any  
21 negotiations that Raystay had undertaken with representatives  
22 of the Lebanon or Lancaster transmitter sites between December  
23 1991 and July 1992?

24 A I personally did not know of any specific  
25 negotiations that went on during this period.

1           Q     Now, did you note from the last sentence of the  
2 letter when you read it that, as the Commission quoted, "The  
3 Commission does not expect to grant any additional extensions  
4 of time or any assignments of the construction permits"? Did  
5 you notice that language when you read the letter?

6           A     Actually, that's the language that I remember most  
7 clearly when I read the letter.

8           Q     Now, would you turn to TBF Exhibit 254? Do you have  
9 that before you?

10          A     Yes, I do.

11          Q     This is a letter dated February 4, 1993, to David  
12 Gardner from John Schauble indicating a copy to you by  
13 facsimile. Do you recall receiving a copy of this letter on  
14 or about February 4, 1993?

15          A     I received it during this period. I don't recall  
16 the date.

17          Q     Do you remember having discussions with Mr. Schauble  
18 at about that time, in February 1993, regarding the  
19 Commission's indication in its earlier letter that it would  
20 not -- did not expect to grant further extensions or to  
21 approve an assignment of the construction permit?

22          A     I recall having conversations with Mr. Schauble  
23 regarding this matter in February and March of 1993.

24          Q     And did you have discussions with George Gardner  
25 about that time concerning the turning in of -- the question

1 of turning in the construction permits?

2 A I had conversations with George Gardner about what  
3 our possible options were with these construction permits,  
4 yes.

5 Q And did those conversations with George Gardner  
6 include discussion of the Commission's assertion in its  
7 September 1992 letter to the effect that it did not expect to  
8 grant further extensions or an assignment of the construction  
9 permits?

10 A Yes, I believe it did.

11 Q And did George Gardner instruct you to have the  
12 construction permits turned in at the end of their term?

13 A I don't recall whether he told me to do it and then  
14 I did it or whether we had a joint conversation with, with  
15 Mr. Schauble. But certainly, George Gardner made the ultimate  
16 decision and I was involved in the process of turning in --  
17 authorizing and turning in of the construction permits.

18 Q Before the -- Before Raystay turned in those  
19 construction permits, did, did you or, to your knowledge,  
20 anyone else from Raystay consult with Harold Etsell about  
21 turning in the permits?

22 A I don't recall.

23 Q Now, going back to 1992, you have previously  
24 testified in some detail about negotiations that Raystay had  
25 with Trinity and with Dennis Grolman and with Mr. Shaffner

1 about the potential sale or actual sale, in one case, of  
2 either TV-40 or the low-power construction permits. And my  
3 question now relates to taking you to the year 1992. Is it  
4 not the case that, that Raystay received some additional  
5 inquiries in 1992 from persons who were interested in -- or  
6 who expressed an interest at least in possibly acquiring one  
7 or more of the low-power construction permits?

8 MR. SCHAUBLE: Objection to, to the question,  
9 Your Honor, to the extent that it deals with matters that took  
10 place after July 1992. Your Honor ruled in discovery that  
11 sales efforts that took place after the filing of the second  
12 extension application had no bearing on Raystay's intent at  
13 the time of filing, at the time of filing the extension  
14 applications and therefore had no relevance to this  
15 proceeding.

16 MR. EMMONS: Well, Your Honor, if I could speak to  
17 that for a moment, we obviously know a great deal more now  
18 than we knew before discovery began in this case. And what I  
19 think we've established is that there is a, a course of  
20 conduct that began well before the, the last extension  
21 application was filed and actions that may have actually been  
22 taken after the filing of the last extension may very well  
23 reflect a continuation of a course of conduct and may reflect  
24 an earlier state of mind at the time of the filing of the  
25 applications.

1           We certainly would so argue that, that a trier of  
2 fact could find -- would not necessarily have to find, but  
3 could find that actions taken perhaps in August or September  
4 of 1992 might reflect what the applicant's state of mind was  
5 in July 1992 or earlier. And given that extent, we would  
6 argue that any, any actions that reflect the continuation of  
7 an already established course of conduct are relevant.

8           MR. SCHAUBLE: Your Honor, I disagree that there's  
9 any evidence of a continuing course of conduct. I, I'm  
10 unaware of any such evidence of what could be called the  
11 continuing course of conduct. And I haven't heard any  
12 description of any such evidence and therefore I, I don't  
13 think this -- I don't think these, these areas are relevant.

14           MR. EMMONS: We have certainly heard evidence of, of  
15 continued interest in entertaining expressions of interest by  
16 prospective buyers, Your Honor, and I just want to pursue  
17 that.

18           JUDGE CHACHKIN: I'll overrule the objection.

19           BY MR. EMMONS:

20           Q     I'm sure you remember the question, Mr. Sandifer.  
21 Let me, let me ask it again. Did Raystay receive in 1992  
22 additional inquiries or expressions of interest in possibly  
23 buying the low-power construction permits from parties other  
24 than the ones we've already discussed, namely Trinity,  
25 Mr. Grolman, and Mr. Shaffner?

1           A     Yes.

2           Q     Now, how many such expressions are you aware of?

3           A     I'm aware of at least two. There may have been  
4 others, but the two that I'm most aware are I think Mr. Carr  
5 and Mr. Pollock. I wouldn't know how to spell his name.

6                   MR. EMMONS: I think we can stipulate -- Counsel, do  
7 you want to stipulate that we're talking about a Mr. Powley,  
8 P-O-W-L-E-Y?

9                   MR. SCHAUBLE: So stipulated.

10                  BY MR. EMMONS:

11           Q     Referring to, to that individual, Mr. Sandifer, what  
12 do you remember about, about your dealing with him?

13           A     I remember being given a phone message that came  
14 into the office. I'm not sure who gave it to me, but it had  
15 to do with Mr. Powley's inquiry into the construction permits  
16 that Raystay held, and there was a phone number for contacting  
17 Mr. Powley. He requested some information regarding the  
18 construction permits. As I recall, I provided that -- those  
19 -- that information to him and he was going to evaluate his  
20 interest.

21           Q     Did you send him copies of the construction permits  
22 at his request?

23           A     I sent him copies of some construction permits. I  
24 don't know which -- I don't remember which ones, but I sent  
25 him information that he requested.

1 Q And did he subsequently call after he received the  
2 information from you?

3 A We made contact. Whether I contacted him or, or he  
4 contacted me, we had a telephone conversation.

5 Q And what was the substance of that conversation?

6 A The substance was is that he was not particularly  
7 interested in proceeding with the acquisition of any of the  
8 construction permits.

9 Q Did you, did you -- In the information you sent him,  
10 did you, did you include an asking price for the permits?

11 A I don't recall.

12 Q Prior to your pursuing the contact with Mr. Powley,  
13 did you discuss with George Gardner the fact that this inquiry  
14 had been made?

15 A I believe I did.

16 Q And did George Gardner tell you to go ahead and  
17 pursue that inquiry?

18 A As I recall, Mr. Gardner said go ahead and pursue it  
19 as an option.

20 Q And all of that -- did all of that occur in August  
21 of 1992?

22 A I believe those are the dates that it occurred.

23 Q And how are you able to fix the date in August 1992?

24 A Subsequent to -- In response to requests for  
25 supplying documents that I supplied, correspondence to either



1 Mr. -- I guess to Mr. Schauble that had this correspondence in  
2 it.

3 Q By this correspondence, you mean correspondence  
4 between you and Mr. Powley?

5 A Yes.

6 Q Now, do you remember any other inquiries by parties  
7 to Raystay in 1992 with regard to the low-power permits?

8 A Yes.

9 Q How is it you remember?

10 A Well, there was an inquiry by a Mr. Carr that was  
11 specifically directed to the Lebanon construction permits.  
12 And as it worked out, I, I remember calling him in response to  
13 a letter he may have sent to George Gardner. It really became  
14 more obvious that he was looking for a job --

15 Q More obviously looking for a job?

16 A Yeah, he was more obviously looking for a job. I  
17 think he's a retired engineer.

18 Q Do you remember any other inquiries?

19 A I remember other inquiries that were directed to me  
20 probably by George Gardner, if not others, that, that may have  
21 occurred in, in 1992, and they would have involved me calling  
22 the individual and expressing sort of a clarification of what  
23 our properties were and expressing our interest. And I don't  
24 remember any correspondence with any other individuals other  
25 than these two, but there may have been.

1 JUDGE CHACHKIN: Is it fair to say that you were --  
2 that Raystay was entertaining offers to sell the low-power  
3 CP's up to the time they were turned in, these CP's?

4 MR. SANDIFER: I think the last time that we had,  
5 had an inquiry was in August of '92, but we -- I responded to  
6 requests that were referred to me.

7 JUDGE CHACHKIN: So Raystay was entertaining offers  
8 to sell the, the low-power CP's up to the time you turned in  
9 the CP's. Isn't that true?

10 MR. SANDIFER: Yes, I think we were pursuing that as  
11 an option.

12 BY MR. EMMONS:

13 Q Mr. Sandifer, to your knowledge, did Raystay respond  
14 to each and every inquiry from parties who expressed interest  
15 in purchasing the low-power permits?

16 A As I recall, I responded to all inquiries that were  
17 directed to me. And whether all -- I don't know whether all  
18 such inquiries were directed to me, but the ones that I --  
19 that were referred to me I responded to.

20 Q All right. And when inquiries were referred to you,  
21 they were referred to you by George Gardner?

22 A They were referred to me by a number of people, but  
23 George Gardner was the primary person that people would  
24 correspond with since he's the president of the company.

25 MR. EMMONS: May I have a moment off the record,

1 Your Honor?

2 JUDGE CHACHKIN: Yes, we'll go off the record.

3 (Off the record.)

4 JUDGE CHACHKIN: Back on the record.

5 BY MR. EMMONS:

6 Q Mr. Sandifer, did there come a time when Raystay  
7 began negotiating with Greyhound Financial Corporation  
8 regarding a refinancing of Raystay's business?

9 A Yes.

10 Q And when was that? When did that start?

11 A Sometime during the second quarter of 1991.

12 Q And when you use the term "quarter," you're  
13 referring to calendar quarter?

14 A In this case, I'm referring to calendar quarter.

15 Q So that would be sometime in the months of April,  
16 May, or June 1991?

17 A Yes.

18 Q Now, who is the person who conducted such  
19 negotiations with Greyhound on behalf of Raystay?

20 A I think, as I stated earlier, we were using CEA as  
21 a, a broker in this transaction, but -- So John Long of CEA  
22 was the primary contact with outside lenders, but within  
23 Raystay itself I would be the primary contact with, with such  
24 lenders and with John Long.

25 Q Now, did those negotiations with Greyhound continue

1 through July of 1992?

2 A Yes.

3 Q Did they ultimately result in an agreement,  
4 financing agreement between Raystay and Greyhound that was  
5 signed at the end of July 1992?

6 A Yes.

7 Q Now, would you turn to TBF Exhibit 261, please,  
8 which is in Volume III-E of the blue volumes? Do you have  
9 that exhibit before you?

10 A Yes, I do.

11 Q Now, this is an obviously redacted portion of, of  
12 the document, and -- but the first page of it bears the  
13 heading "GFC," and do you recognize that as being the  
14 letterhead of Greyhound Financial Corporation?

15 MR. SCHAUBLE: Objection. Your Honor, I'd like to  
16 lodge a general objection to inquiring into this area on the  
17 basis that looking at TBF Exhibit 264, the loan agreement that  
18 was entered into was not entered into until after the filing  
19 of the second extension application, which was filed on July  
20 1992, and that therefore the -- there was no loan agreement  
21 provisions outstanding as of the time both sets of extension  
22 applications were filed, and that therefore this matter has no  
23 relevance to this proceeding.

24 MR. EMMONS: Your Honor, I think you ruled directly  
25 on that very point when the motion for production of documents

1 was filed. The motion requested that both the agreement and  
2 earlier drafts of the documents. The same objection was made,  
3 that none of it was relevant because the agreement wasn't  
4 signed until after the second set of extensions was filed. In  
5 response to that, the other parties, namely the Bureau and  
6 Trinity, argued that the, the final agreement was merely a  
7 culmination of a long process of negotiation.

8 JUDGE CHACHKIN: I'll, I'll let you proceed. It's  
9 developed that in fact the terms that you're talking about  
10 were understood by the parties --

11 MR. EMMONS: That's, that's what I want to pursue,  
12 Your Honor.

13 JUDGE CHACHKIN: Go ahead.

14 MR. SCHAUBLE: Your Honor, may, may I note a  
15 continuing objection to this area?

16 JUDGE CHACHKIN: Yes.

17 BY MR. EMMONS:

18 Q Mr. Sandifer, back to my original question. Do you  
19 recognize the first page of Exhibit -- TBF Exhibit 251 as, as  
20 -- the letters "GFC" as being the letterhead of Greyhound  
21 Financial Corporation?

22 MR. SCHAUBLE: Your Honor, correction, 261. Counsel  
23 stated 251.

24 MR. EMMONS: I'm so sorry, 261.

25 MR. SANDIFER: Yes, that's a facsimile of their

1 letterhead.

2 BY MR. EMMONS:

3 Q Okay. Now, the letter, although of course redacted,  
4 indicates that this was sent -- addressed to George Gardner on  
5 July 15, 1991. Did you see a copy of this letter or this  
6 letter on or about that date?

7 A Yes.

8 Q Now, would you turn to, would you turn to page --  
9 No, strike that. The top of -- Upper right of page 1 on the  
10 letter.

11 A Yes.

12 Q Do you see a stamp that looks like the initials MMB  
13 with a date underneath it? It looks like September 3, 1991.

14 A Yes.

15 Q Do you know what MMB means?

16 A No.

17 Q You don't know how that stamp came to be put there?

18 A Well, I know how the stamp came to be put there, but  
19 I don't know what MMB means.

20 Q Well, then how did the stamp come to be put there?

21 A That was -- To my knowledge, that's a, a receipt  
22 date that this letter was received at Greyhound's office in  
23 Phoenix.

24 Q I see. And was there someone at Greyhound with the  
25 initials MMB that you know of?

1           A     Not that I know of.

2           Q     Was there -- Did you ever, in the course of  
3 negotiating with Greyhound, negotiate with someone named Matt  
4 Breyne, B-R-E-Y-N-E?

5           A     Yes, I did.

6           Q     Do you know whether MMB are his initials?

7           A     I believe his first initial is J. It's J. Matthew  
8 Breyne.

9           Q     Now, would you turn to page 2 of the exhibit? And I  
10 will tell you, if you don't already know, that this document  
11 of two pages -- that this is the form in which it was produced  
12 to the other parties by Raystay in this proceeding. And so I  
13 have to ask you if you know what connection this second page  
14 of the exhibit has to the first page?

15          A     May I ask a question?

16               JUDGE CHACHKIN: Do you have any objection?

17               MR. EMMONS: Not at all.

18               JUDGE CHACHKIN: Go ahead.

19               MR. SANDIFER: You, you made the statement this is  
20 the way that Raystay presented this in this hearing. Is  
21 that not the way that Glendale's counsel has presented it in  
22 this --

23               BY MR. EMMONS:

24           Q     Oh, I'm sorry. That's a fair point. I'm very  
25 sorry. I should say that when this document was produced to

1 the other parties by Glendale, it was produced in the form  
2 that it appears in this Exhibit 261. And so my question to  
3 you is do you know what the connection is, if any, between  
4 page 2 of this exhibit and, and page 1 of the exhibit?

5 A Yes.

6 Q What's the connection?

7 A This is a multi-page letter that was prepared by  
8 primarily Matthew Breyne and maybe his counsel, sent to George  
9 Gardner and the company to present a financing proposal. The  
10 section that is redacted, I guess is the proper term there,  
11 had to do with security interest that the company would be  
12 providing to collateralize the loan.

13 Q Okay. Now, focusing on the, on the handwritten note  
14 which is shown on page 2 of this exhibit, you agree with me  
15 that that is a handwritten note, that's not part of the  
16 typewritten letter?

17 A Yes.

18 Q All right. Now, do you know whose handwriting is on  
19 the note?

20 A Yes.

21 Q Whose is it?

22 A The first five lines there, beginning with the  
23 asterisk, are my printing and I initialed thereafter, LHS.  
24 The next six lines, I guess it is, seven lines, are the  
25 writing of Mr. Matt Breyne. I think his initials JMB there



1 are next to his inserted notes to this part of the agreement,  
2 this part of the proposal.

3 Q Okay. Now, when, when did you, when did you write  
4 your five lines of handwriting on this note?

5 A In the last days of August of 1991.

6 Q And at that time, were you in, in negotiation with  
7 Mr. Breyne?

8 A Yes.

9 Q And when did Mr. Breyne add his six or seven lines  
10 or so of handwriting to that note?

11 A I don't recall if he did it right before the end of  
12 August or the first week of September of 1991.

13 Q Now, was the note -- was the portion of the note --  
14 I'm going to ask you this. Did both portions of this note,  
15 the two, the two sets of handwriting, appear on the same page  
16 originally?

17 A Yes, they did.

18 Q Okay. And how did that come to be? Were you -- Did  
19 you meet with Mr. Breyne or did you write yours and then send  
20 it to him and he wrote his, or, or how did that work?

21 A I did not meet with Mr. Breyne prior to the  
22 completion of this, but there were a number of phone  
23 conversations between John Long of CEA, Matt Breyne of  
24 Greyhound, and myself in which we continued to review the  
25 terms of this proposal letter. And this -- these notes,